



## LAW FOR FINANCE (LEB 380.4) (#03500)

SPRING 2010

<b>Professor</b>	<b>Robert Prentice</b>
<b>Classroom</b>	UTC 3.106
<b>Office</b>	CBA 5.256
<b>Office Hours</b>	MW 9:00 – 11:00, TTh 9:30 – 11:00 (and by appointment)
<b>Phone</b>	471-5246
<b>E-Mail</b>	rprentice@mail.utexas.edu
<b>Course Web Page</b>	via Blackboard

**TEXTS:** (1) Prentice, LAW FOR FINANCE (2010 ed.)  
(2) Prentice, COURSE OUTLINE (2010 ed.)

--Part I of both the text and the course outline are currently available at the Paradigm copy shop (located just west of the Drag on 24<sup>th</sup> St.). Part II of both will be ready for the post-Spring Break second half of the course.

### GRADING POLICY:

Grades will be based upon the quality of class participation, two exams, and some occasional homework. Percentages are assigned as follows:

Class Participation	15%
First Exam	30%
Second Exam	35%
Homework	<u>20%</u>
	100%

I will also be giving pluses and minuses in accordance with the relatively new McCombs policy. [http://www.utexas.edu/ogs/student\\_services/academic\\_policies/plus\\_minus.html](http://www.utexas.edu/ogs/student_services/academic_policies/plus_minus.html). I'm sure you'll find that a "D+" is much more palatable than a plain old "D".

The **First Exam** will be given on **Thursday, March 4, at 7–10 pm**. The **Second Exam** will be given at its officially-scheduled time, **Wednesday, May 12, 2-5pm**. Please plan your graduation and travel schedule accordingly. Both exams are open-book, open-note. The second exam is *not* cumulative.

Scheduling note. To accommodate the MBA Global Connections classes, we will not have class on March 9 or 11 (although we may heavily engage in "enrichment activities"). In return for this small gift, you will be given the opportunity to spend three hours with me on the evening of March 4 taking the First Exam.

**CLASS PARTICIPATION:**

Class participation grades will be derived from your contribution to class discussions, questions you ask me that advance the discussion, answers to questions I ask you, and briefs delivered orally in class.

Briefs: Briefs are aptly named. A brief is to a case what a book report is to a book. Your brief should contain: (i) the name of the case, (ii) the essential facts, (iii) the disposition (if any) of the lower court proceedings, (iv) the issue(s) presented to the court, (v) the resolution of that issue, and, most importantly, (vi) the court's rationale for deciding the case as it did. The key is to use your own words to efficiently, accurately, and briefly convey what the court did with the issue presented. After you present the briefs, please e-mail them to me as a Word attachment and I will distribute batches of them to your classmates from time to time.

**ATTENDANCE:** Attendance is required. You may miss class three times for any reason (good, bad, or indifferent). Missing class for a fourth time without an extremely good reason subjects you to academic penalty, involuntary transfer to A&M, or worse (if I can think of anything worse than transfer to A&M).

**HOMEWORK:** As noted above, homework assignments will make up 20% of your grade. Rather than assign a major group project or group term paper, as I have often done in the past, I will make three or four homework assignments that will typically involve a modest amount of research and a few of pages of writing. They may occasionally be linked to "discussion days" in class that I will set aside so you may get a break from listening to me yammer.

**ONLINE SOURCES:** If you have trouble with legal terminology, there are a number of free online law dictionaries, including at <http://dictionary.law.com/>. I am also happy to help clarify legal terms.

**COURSE PHILOSOPHY:** *"It is not an adequate ethical standard to aspire to get through the day without being indicted."* --Richard Breeden, former SEC Chair.

**SCHOLASTIC DISHONESTY.**

The College of Business Administration has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the CBA. By teaching this course, I have agreed to observe all the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://www.utexas.edu/depts/dos/sjs/> or the General Information catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

*The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.*

## COURSE OUTLINE

### PART ONE

- Ch. 1: INTRODUCTION TO PUBLIC CORPORATIONS AND SECURITIES REGULATION  
Ch. 2: THE SCOPE OF FEDERAL SECURITIES REGULATION  
Ch. 11: REGULATION OF THE SECURITIES BUSINESS  
Ch. 3: REGISTRATION OF PUBLIC OFFERINGS  
Ch. 4: CONSEQUENCES OF DEFECTIVE REGISTRATION  
Ch. 5: EXEMPT SECURITIES, EXEMPT TRANSACTIONS, AND RESALE OF SECURITIES

[First Exam]

### PART TWO

- Ch. 10: TENDER OFFERS  
Ch. 6: SECTION 10(b): CORPORATE DISCLOSURE  
Ch. 7: INSIDER TRADING: SECTION 16(b)  
Ch. 8: INSIDER TRADING: SECTION 10(b)  
Ch. 9: PROXY REGULATION  
Ch.12: ETHICS IN THE CAPITAL MARKETS

[Second Exam]

### McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas MBA experience hinges on this.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The Texas MBA classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Seating Chart.** Feel free to display your name cards, as per McCombs custom. However, I also like to use a seating chart for various house keeping purposes and will do so.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Students are fully prepared for each class.** Much of the learning in the Texas MBA program takes place during classroom discussions. When students are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students attend the class section to which they are registered.** Learning is enhanced when class sizes are optimized. Limits are set to ensure a quality experience. When section hopping takes place some classes become too large and it becomes difficult to contribute. When they are too small, the breadth of experience and opinion suffers.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Laptops are closed and put away.** When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand they are doing themselves and their peers a major disservice. Those around them face additional distraction. Fellow students cannot benefit from the insights of the students who are not engaged. Faculty office hours are spent going over class material with students who chose not to pay attention, rather than truly adding value by helping students who want a

better understanding of the material or want to explore the issues in more depth. Students with real needs may not be able to obtain adequate help if faculty time is spent repeating what was said in class. There are often cases where learning is enhanced by the use of laptops in class. Faculty will let you know when it is appropriate to use them. In such cases, professional behavior is exhibited when misuse does not take place.

- **Phones and wireless devices are turned off.** We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class. **No phones, no texting, no nothing.**

Remember, you are competing for the best faculty McCombs has to offer. Your professionalism and activity in class contributes to your success in attracting the best faculty to this program.

### CLASS SCHEDULE SPRING 2009

#### First Half

1. Jan. 19
2. Jan. 21
3. Jan. 26
4. Jan. 28
5. Feb. 2
6. Feb. 4
7. Feb. 9
8. Feb. 11
9. Feb. 16
10. Feb. 18
11. Feb. 23
12. Feb. 25
13. Mar. 2
14. Mar. 4 (class and FIRST EXAM: 7-10pm)
15. Mar. 9—enrichment activities (no class)
16. Mar. 11 —enrichment activities (no class)

**FIRST EXAM: Thursday, March 5, 7-10 pm.**

#### Second Half

1. Mar. 23
2. Mar. 25
3. Mar. 30
4. Apr. 1
5. Apr. 6
6. Apr. 8
7. Apr. 13
8. Apr. 15
9. Apr. 20
10. Apr. 22
11. Apr. 27
12. Apr. 29
13. May 4
14. May 6

**SECOND EXAM: Wednesday, May 12, 2-5pm**